

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	
)	CONSENT AND ORDER
REGENCE BLUE SHIELD,)	LEVYING FINE
)	
A Registered Health Care Service)	Order No. D03-161
Contractor.)	

FINDINGS OF FACT

- 1) During the time period between October 31, 2002 and November 6, 2002 Regence misdirected the Explanation of Benefits (EOB) of 2,963 of its enrollees.
- 2) This misdirection resulted in the EOBs, which contained private identifiable health and financial information, being routed to the wrong individuals.
- 3) This incident was unanticipated resulting from a minor computer correction to an existing program.
- 4) Upon learning of the incident Regence took corrective action. It implemented numerous safeguards, including system-based programs, physical safeguards, and access safeguards to protect against the unauthorized use or disclosure of such information.

CONCLUSIONS OF LAW

- 1) The unauthorized release of personal health information as defined in WAC 284-04-120(15) and (23) constitutes a violation of WAC 284-04-300.
- 2) The unauthorized release of financial information as defined in WAC 284-04-120(22) and (24) constitutes a violation of WAC 284-04-505.

CONSENT TO ORDER

Regence Blue Shield hereby agrees to the foregoing Findings of Fact and Conclusions of Law. Regence Blue Shield acknowledges its duty to comply fully with the applicable laws of the State of Washington.

- 1) By agreement of the parties, the OIC will impose a fine of \$15,000 on Regence Blue Shield.

EXECUTED and AGREED this 26th day of August, 2003.

REGENCE BLUE SHIELD

Title: _____

Signed: _____

ORDER

Pursuant to RCW 48.44.166 the Insurance Commissioner hereby imposes a fine of \$15,000 upon Regence Blue Shield. This fine must be paid in full within thirty days of the date of the entry of this Order. Failure to pay this fine shall constitute grounds for recovery of the fine by the Attorney General of the State of Washington, and for revocation of Regence Blue Shield's registration by the Office of Insurance Commissioner.

ENTERED at TUMWATER, WASHINGTON this 28th day of August, 2003.

Mike Kreidler
Insurance Commissioner

By: _____
Mary M. Cotter
Staff Attorney, Legal Affairs